

Message Text

CONFIDENTIAL

PAGE 01 BUCAR 01247 250727Z
ACTION OES-02

INFO OCT-01 SS-14 ISO-00 ACDA-10 INR-05 NSC-05 NSCE-00
PM-03 SP-02 EB-03 PRS-01 CIAE-00 IO-03 L-01 /050 W
-----250734 039294 /20

R 241503Z FEB 77
FM AMEMBASSY BUCHAREST
TO SECSTATE WASHDC 1755
INFO AMEMBASSY OTTAWA

C O N F I D E N T I A L BUCHAREST 1247

LIMDIS

E.O. 11652: GDS
TAGS: TECH, ENRG, RO
SUBJ: NUCLEAR COOPERATION
REF: (A) BUCHAREST 720; (B) STATE 20035; (C) STATE 6903;
(D) 76 BUCHAREST 6970

1. SUMMARY. DEPY MIN STANCIU EMBARKS SATURDAY FOR CANADA TO INAUGURATE SEMIFINAL PHASE TECHNICAL NEGOTIATIONS ON NUCLEAR COOPERATION. IF SUCCESSFUL, THIS ROUND OF CANADIAN-ROMANIAN TALKS WOULD SET STAGE FOR FINAL NEGOTIATIONS ON PRICE AND GUARANTEES IN BUCHAREST IN APRIL. FOR PROMISED DEBRIEFING OF STANCIU AFTER HIS MARCH 5 RETURN FROM OTTAWA WE WOULD APPRECIATE EARLIER REQUESTED MATERIAL ON SENSITIVE TECHNOLOGY, INCLUDING HEAVY AWATER. END SUMMARY.

2. AMBASSADOR ACCOMPANIED BY E/C COUNSELOR AND SCIATT MET AT CLOSE OF BUSINESS FEBRUARY 23 WITH DEPUTY MINISTER OF FOREIGN TRADE CONSTANTIN STANCIU, ROMANIA'S CHIEF NEGOTIATOR WITH CANADIANS ON CANDU COOPERATION. MEETING WAS IN FULFILLMENT OF PRESIDENT CEAUSESCU'S AGREEMENT ON FEBRUARY 1 TO STAY IN TOUCH WITH US ON NUCLEAR MATTERS.

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 BUCAR 01247 250727Z

3. IMMEDIATE IMPETUS FOR MEETING WAS STANCIU'S DEPARTURE SATURDAY TO RESUME DISCUSSIONS WITH CANADIAN AECL ON OUTSTANDING COMMERCIAL ISSUES. DISCUSSIONS, WHICH HAD BEEN SLATED FOR MARCH 10, WERE ADVANCED WHEN OPENING SUDDENLY DEVELOPED IN AECL CHAIRMAN CAMPBELL'S SCHEDULE.

4. STANCIU DESCRIBED FOCUS OF HIS FORLHCOMING TALKS

AS "STRICTLY COMMERCIAL." DISCUSSIONS WILL CENTER ON TWIN ISSUES OF PRICE AND PERFORMANCE GUARANTEES. ON PRICE ROMANIANS HAVE ARGUED FOR FIXED PRICE CONTRANR WHILE CANADIANS HAVE MAINTAINED THEY WILLING TO PROCEED ON COST PLUS BASIS ONLY, IN KEEPING WITH GENERAL INTERNATIONAL PRACTICE. STANCIU DID NOT AMPLIFY ON ISSUE OF GUARANTEES BEYOND SAYING THAT DIFFERENCES HINGED OVER DEGREE OF AECL LIABILITY. IN ADDITION TO TWO MAJRO THEMES, STANCIU ANTICIPATES THAT REMAINING TECHNICAL ISSUES CAN BE RESOLVED: NUMBER OF MAN-MONTHS OF CANADIAN TECHNICAL ASSISTANCE IN ENGINEERING AND DESIGN AND CONDITIONS FOR CANADIAN SPECIALISTS WHO WILL RESIDE IN BUCHAREST OR ON SITE. STANCIU HIMSELF PLANS TO STAY ONLY A FEW DAYS AND LEAVE MEMBERS OF HIS TEAM TO CONTINUE TALKS.

5. ASSUMING TECHNICAL QUESTIONS CAN BE RESOLVED AND PROGRESS ACHIEVED ON PRICE AND GUARANTEE QUESTIONS, STANCIU FORESEES CANADIAN TEAM COMING TO BUCHAREST FOR COMPLETION OF NEGOTIATIONS IN APRIL. IN RESPONSE TO AMBASSADORIAL QUESTION WHETHER APRIL DISCUSSIONS WOULD BE MERELY FORMALITY, STANCIU RESPONDED NEGATIVELY. SAYING THESE WOULD BE "FINAL NEGOTIATIONS" (IN ROMANIAN PARLANCE, FINAL HAGGLING ON PRICEBKM NO SPECIFIC DATE FOR APRIL SESSION HAS YET BEEN FIXED.

6. ON POLITICAL QUESTION OF CANADIAN GOVERNMENT APPROVAL, STANCIU APPEARED AS UNWORRIED AS HE HAD IN NOVEMBER DISCUSSION WITH FORMER SECRETARY RICHARDSON AND AMBASSADOR, ALTHOUGH HIS PROJECTED TIME FRAME HAS SLIPPED. STANCIU ASSERTED THERE CONFIDENTIAL

CONFIDENTIAL

PAGE 03 BUCAR 01247 250727Z

WOULD BE NO POLITICAL DISCUSSION DURING CURRENT VISIT SINCE NOTHING HAD TRANSPIRED TO CALL INTO QUESTION BASIC "OPTIMISM" WITH WHICH HE HAD LEFT AFTER HIS NOVEMBER DISCUSSIONS. HE UNDERSTOOD THAT CANADIAN INVESTIGATION INTO AECL FEES QUESTION WAS WHAT WAS CURRENTLY PREVENTING CABINET CONSIDERATION OF PROPOSED COOPERATION NOT LACK OF AGREEMENT ON COMMERCIAL TERMS. WE SAID WE UNDERSTOOD CABINET PREFERRED TO SEE PACKAGE AS A WHOLE.

7. IN THIS CONTEXT STANCIU ASKED AMBASSADBU WHETHER USG WOULD HELP OR HINDER CANADIAN-ROMANIAN COOPERATION. AMBASSADOR S UMMARIZED PRESENTATION HE HAD MADE TO PRESIDENT CEAUSESCU, DRAWING DISTINCTION BETWEEN EXPORT OF COMPONENTS AND TRANSFER OF MANUFACTURING TECHNOLOGY. IN RESPONSE TO STANCIU'S QUERY WHETHER HE WAS FREE TO CITE THIS EXPLANTION IN HIS DISCUSSIONS WITH CANADIANS, AMBASSADOR EXPRESSED NO OBJECTION, DRAWING ATTENTION TO US AND CANADIAN SENSIBILITIES AND AGAIN REQUESTING STANCIU TO HEED DIFFERENTIATION

BETWEEN COMPONENTS AND TECHNOLOGY.

8. IF HIS SCHEDULE HOLDS, STANCIU WILL RETURN TO BUCHAREST BY MARCH 5, LEAVING BEHIND OTHERS (OLARIU; PRESIDENTIAL COUNSELOR PUNGAN'S AIDE DRAGOIU; AND UNKNOWN MFA COUNSELOR GOGA) TO RESOLVE PROBLEMS REGARDING TECHNICAL ANNEXES. STANCIU EXPRESSED WILLINGNESS TO MEET WITH AMBASSADOR AGAIN UPON HIS RETURN TO CONVEY RESULTS OF LATEST ROUND OF DISCUSSIONS.

9. ACTION REQUESTED. IN ANTICIPATION THAT AMBASSADOR WILL SEE STANCIU AND/OR PATAN SHORTLY AFTER HIS RETURN IT WOULD BE HELPFUL TO HAVE BY END OF NEXT WEEK CLARIFICATION WE HAVE REQUESTED (PARA 9, BUCH 720 AND ALSO PARA 2, STATE 20035) ON ITEMS WE DEEM TECHNOLOGICALLY SENSITIVE. WE WOULD WELCOME AS WELL MATERIALS ON HEAVY WATER (PARA 10, BUCH 720).
CONFIDENTIAL

CONFIDENTIAL

PAGE 04 BUCHAR 01247 250727Z

BARNES

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: NUCLEAR COOPERATION PROGRAMS
Control Number: n/a
Copy: SINGLE
Sent Date: 24-Feb-1977 12:00:00 am
Decaption Date: 22 May 2009
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977BUCHAR01247
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770065-0657
Format: TEL
From: BUCHAREST
Handling Restrictions:
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770214/aaaaamqq.tel
Line Count: 140
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: db73c1bf-c288-dd11-92da-001cc4696bcc
Office: ACTION OES
Original Classification: CONFIDENTIAL
Original Handling Restrictions: LIMDIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: LIMDIS
Reference: 77 BUCHAREST 720, 77 STATE 20035, 77 STATE 6903, 76 BUCHAREST 6970
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 21-Dec-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3245092
Secure: OPEN
Status: NATIVE
Subject: NUCLEAR COOPERATION
TAGS: TECH, ENRG, RO, US
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/db73c1bf-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009